

Summary of

SSB 6078

Expenditure Limit Committee,
November 21, 2005

SSB 6078

- Enacted in 2005 legislative session
- Two parts:
 - Effective through the 05-07 biennium, the 2/3 vote requirement for tax increases is temporarily suspended.
 - Effective for the 07-09 biennium and thereafter, expenditure limit laws are revised.

Funds Covered by Expenditure Limit

- I-601: Limit applies to General Fund—State (GFS)
- SSB 6078: Limit applies to GFS and five additional related funds:
 - Health Services Account
 - Violence Reduction & Drug Enforcement Account
 - Public Safety & Education Account;
 - Water Quality Account
 - Student Achievement Fund.

Fiscal Growth Factor

- I-601: Rolling three-year average of total of population growth and inflation (IPD)
- SSB 6078: Ten-year average of state personal income growth.

“Two Way Street”

- I-601: Limit is adjusted downward for money or program transfers *from* GFS
- 2000: “Two-way street” authorizes upward adjustment to Limit for money or program transfers *to* GFS
- SSB 6078:
 - No upward adjustment to Limit for money transfers *into* GFS
 - Upward adjustment for program transfer only if associated revenue is also transferred.

Expenditure Limit Committee

- I-601: OFM adjusts and projects Limit
- 2000: Expenditure Limit Committee (ELC) established to adjust and project Limit.
 - Chairs of Ways & Means and Appropriations
 - OFM director
 - Attorney General or designee
- SSB 6078:
 - Ranking minority members of Appropriations and Ways & Means added to ELC
 - ELC actions require affirmative vote of four members

Emergency Reserve Fund

- I-601: GFS revenues in excess of the Limit are deposited in the Emergency Reserve Fund.
- SSB 6078: Amount transferred to ERF is pro-rated to equal the amount by which total state revenue (GFS plus related funds) exceeds the Limit, multiplied by the GFS percentage share of total expenditures.